

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1019

Citations Affected: IC 27-1-3-30; IC 27-1-3-31; IC 27-8-24.1; IC 27-13-7-18.

Synopsis: Insurance coverage. Requires an accident and sickness insurer and a health maintenance organization to provide to the department of insurance (department) certain information related to the implementation of a mandated benefit and requires the department to analyze the information and report the analysis results to the legislative council. Allows an accident and sickness insurer and a health maintenance organization to provide to the department certain information related to a mandated benefit proposal and requires the department to analyze the information and report the analysis results to the legislative council. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary medical food prescribed for treatment of an inherited metabolic disease for a covered individual or an enrollee. **(This conference committee report: Specifies that information provided by an accident and sickness insurer and a health maintenance organization to the department must be actuarial information and other information. Requires the department to report analysis results related to a mandated benefit proposal to the legislative council rather than the legislative committee considering the proposal. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary food rather than requiring an offer of coverage.)**

Effective: July 1, 2003; January 1, 2004; July 1, 2004.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1019 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 27-1-3-30 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2004]: **Sec. 30. (a) As used in this section, "accident and sickness**
- 5 **insurance policy" has the meaning set forth in IC 27-8-14.2-1.**
- 6 **(b) As used in this section, "health maintenance organization"**
- 7 **has the meaning set forth in IC 27-13-1-19.**
- 8 **(c) As used in this section, "mandated benefit" means certain**
- 9 **health coverage or an offering of certain health coverage that is**
- 10 **required under:**
- 11 **(1) an accident and sickness insurance policy; or**
- 12 **(2) a contract with a health maintenance organization.**
- 13 **(d) An insurer that issues an accident and sickness insurance**
- 14 **policy and a health maintenance organization, not later than**
- 15 **March 1 of each year, shall provide to the department, in a format**
- 16 **and medium prescribed by the department, actuarial information**
- 17 **and other information related to the implementation of a mandated**
- 18 **benefit, including information reflecting:**
- 19 **(1) specific short term and long term financial costs, cost**
- 20 **savings, and benefits to the insurer, health maintenance**
- 21 **organization, consumers, or other parties resulting from**
- 22 **implementation of the mandated benefit;**

(2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the mandated benefit, including cost savings and health benefits to consumers, and the effect of the mandated benefit on:

(A) premium rates;

(B) the number of individuals covered under a policy or contract; and

(C) costs related to other health care services covered under a policy or contract that may be affected by the implementation of the mandated benefit;

before and after implementation of the mandate; and

(3) other information requested by the department.

(e) The department shall:

(1) analyze the information provided under subsection (d), including an analysis of:

(A) possible reasons for changes in the information with implementation of a mandated benefit; and

(B) other analyses requested by the legislative council; and

(2) not later than June 30 of each year, report the results of the analysis to the legislative council.

(f) Information provided to the department under this section is confidential. The report to the legislative council under subsection (e) may not identify an individual insurer or health maintenance organization.

SECTION 2. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) As used in this section, "accident and sickness insurance policy" has the meaning set forth in IC 27-8-14.2-1.

(b) As used in this section, "health maintenance organization" has the meaning set forth in IC 27-13-1-19.

(c) As used in this section, "mandated benefit proposal" means a bill or resolution pending before the general assembly that, if enacted, would require certain health coverage or an offering of certain health coverage under:

(1) an accident and sickness insurance policy; or

(2) a contract with a health maintenance organization.

(d) An insurer that issues an accident and sickness insurance policy and a health maintenance organization may provide to the department, in a format and medium prescribed by the department, actuarial information and other information related to a mandated benefit proposal, including information reflecting:

(1) specific short term and long term financial costs, cost savings, and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit; and

(2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit, including cost savings and health benefits to consumers, and the effect of the proposed mandated benefit on:

(A) premium rates;

(B) the number of individuals covered under a policy or contract; and

(C) costs related to other health care services covered under a policy or contract that may be affected by the implementation of the proposed mandated benefit;

before and after implementation of the proposed mandated benefit.

(e) Upon receipt of the information described in subsection (d), the department shall:

(1) analyze the information; and

(2) report the results of the analysis to the legislative council.

(f) Information provided to the department under this section is confidential. The report to the legislative council under subsection (e) may not identify an individual insurer or health maintenance organization.

SECTION 3. IC 27-8-24.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

Chapter 24.1. Coverage for Treatment of Inherited Metabolic Disease

Sec. 1. As used in this chapter, "accident and sickness insurance policy" has the meaning set forth in IC 27-8-5-27(a).

Sec. 2. As used in this chapter, "covered individual" means an individual who is entitled to coverage under an accident and sickness insurance policy.

Sec. 3. As used in this chapter, "inherited metabolic disease" means a disease:

(1) caused by inborn errors of amino acid, organic acid, or urea cycle metabolism; and

(2) treatable by the dietary restriction of one (1) or more amino acids.

Sec. 4. As used in this chapter, "medical food" means a formula that is:

(1) intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and

(2) formulated to be consumed or administered enterally under the direction of a physician.

Sec. 5. An accident and sickness insurance policy must provide coverage for medical food that is:

(1) medically necessary; and

(2) prescribed by a covered individual's treating physician for treatment of the covered individual's inherited metabolic disease.

Sec. 6. The coverage that must be provided under this chapter shall not be subject to dollar limits, coinsurance, or deductibles that are less favorable to a covered individual than the dollar limits, coinsurance, or deductibles that apply to coverage for:

(1) prescription drugs generally under the accident and sickness insurance policy, if prescription drugs are covered

under the accident and sickness insurance policy; or
 (2) physical illness generally under the accident and sickness insurance policy, if prescription drugs are not covered under the accident and sickness insurance policy.

SECTION 4. IC 27-13-7-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 18. (a) As used in this section, "inherited metabolic disease" means a disease:**

(1) caused by inborn errors of amino acid, organic acid, or urea cycle metabolism; and

(2) treatable by the dietary restriction of one (1) or more amino acids.

(b) As used in this section, "medical food" means a formula that is:

(1) intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and

(2) formulated to be consumed or administered enterally under the direction of a physician.

(c) A group health maintenance organization contract that provides coverage for basic health care services must provide coverage for medical food that is:

(1) medically necessary; and

(2) prescribed for an enrollee by the enrollee's treating physician for treatment of the enrollee's inherited metabolic disease.

(d) The coverage that must be provided under this section shall not be subject to dollar limits, copayments, or deductibles that are less favorable to an enrollee than the dollar limits, copayments, or deductibles that apply to coverage for:

(1) prescription drugs generally under the group contract, if prescription drugs are covered under the group contract; or

(2) physical illness generally under the group contract, if prescription drugs are not covered under the group contract.

SECTION 5. [EFFECTIVE JULY 1, 2003] (a) IC 27-8-24.1, as added by this act, applies to an accident and sickness insurance policy that is issued, delivered, amended, or renewed after December 31, 2003.

(b) IC 27-13-7-18, as added by this act, applies to a health maintenance organization contract that is entered into, delivered, amended, or renewed after December 31, 2003.

(Reference is to EHB 1019 as reprinted April 9, 2003.)

Conference Committee Report
on
Engrossed House Bill 1019

Signed by:

Representative Frenz
Chairperson

Senator Miller

Representative Ripley

Senator Breaux

House Conferees

Senate Conferees